

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

EISENBERG O. MANAGEMENT &  
CONSULTING, LTD., **Individually and  
On Behalf of All Others Similarly  
Situating,**

**Plaintiff,**

**v.**

LIPMAN ELECTRONIC  
ENGINEERING, LTD., ISAAC ANGEL,  
JACOB PERRY, ISHAY DAVIDI and  
IZHAK DAVIDI,

**Defendants.**

**No. 1:05-cv-04788-BAM-KAM**

**STIPULATION AND ORDER OF DISMISSAL**

Whereas on October 11, 2005, Plaintiff Eisenberg O. Management & Consulting, Ltd. ("Eisenberg" or "Plaintiff") filed this putative class action complaint on behalf of purchasers of Lipman Electronic Engineering Ltd. ("Lipman") common stock for the period October 4, 2004 to September 27, 2005 (the "Class Period");

Whereas the complaint alleged violations of the federal securities laws against Defendants (the "Complaint");

Whereas Movants Altshuler-Shacham Mutual Fund Management Ltd. and Altshuler-Shacham Ltd. (collectively "Altshuler-Shacham") initially moved for appointment as Lead Plaintiff, which motion was withdrawn on February 24, 2006;

Whereas Movants Providence Fund of the Clerks of Bank Leumi LeIsrael Ltd. ("Providence Fund") and Steven Citron subsequently moved for appointment as Lead Plaintiffs, which motions were withdrawn by Notices filed June 9, 2006 and July 5, 2006, respectively;

Whereas Eisenberg and Movants Altshuler-Shacham, Providence Fund, and Steven Citron no longer seek to pursue this action; and

Whereas counsel for Eisenberg and each of the Movants have been authorized by their clients to enter into this Stipulation.

IT IS HEREBY STIPULATED AND AGREED:

1. This action is hereby dismissed pursuant to Rule 41, Federal Rules of Civil Procedure, without costs or attorneys' fees, and the case shall be closed;

2. The dismissal is with prejudice with respect to any claims or causes of action, of any kind whatsoever, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, which Plaintiff and each of the Movants may now have or have ever had, or hereafter can, shall or may have against any Defendant or their counsel, relating to or arising out of or in connection with any of the claims, facts, matters, omissions or occurrences referred to in, or that could have been raised in, or which are the subject matters of, the Complaint.

3. Subject to paragraph 5 below, each Defendant hereby releases any claims or causes of action, of any kind whatsoever, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, which it may now have or have ever had, or hereafter can, shall or may have against Plaintiff, each Movant, and their counsel relating to or arising out of or in connection with the filing and prosecution of this action.

4. This dismissal is without prejudice to the rights of any other purported member of the putative Class alleged in this action.

5. Notwithstanding paragraph 3 above, this dismissal is without prejudice to and does not constitute a waiver of any rights, remedies or defenses (including an

application for sanctions and/or attorneys' fees and costs, pursuant to 15 U.S.C. 78u-4(c) or any other applicable law) that each Defendant may have with respect to any other putative Class members or their counsel (including if their counsel are the same as counsel for Eisenberg or Movants Altshuler-Shacham, Providence Fund, or Citron), including any rights, remedies or defenses that may arise from the filing and prosecution of the instant case. Nothing in this Stipulation shall be cited or construed as a waiver of any right on the part of counsel for Eisenberg or Movants of any defense to such a motion for sanctions, nor be construed as an admission by such counsel of any right on Defendants' part to seek sanctions.

Dated: August \_\_, 2006

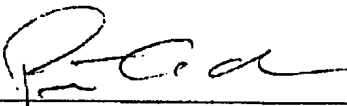
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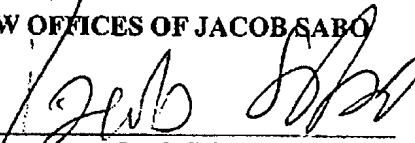
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SO ORDERED:

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